



Building Markham's Future Together  
**Journey to Excellence**

# Markham 2020: **Success By Design**

*Focus on Global Business Strategies*

Presentation to  
Economic Development Committee  
November 2, 2015



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## Context

### Markham 2020 Context

- 10 year Economic Strategy adopted by Council in 2008
- A successful blueprint for guiding the City's Economic Development Program
- Time to evaluate Markham's Foreign Direct Investment (FDI) attraction program, and its successes in attracting Multinational Enterprises.





# Overview of Markham 2020 – Build Global Markham, Build Branded Markham





## Build “Global Markham”

### **Vision:**

To build a “Global Markham” where direct foreign investment equals or exceeds domestic investment in new jobs (Markham 2020, consultant report)

### **Actions:**

- Attract foreign investment and encourage trade efforts by local companies
- Strengthen current international partnerships for economic development
- Leverage the multicultural and multilingual character of Markham’s population to attract international partners and new opportunities for economic development
- Liaise with partner organizations to increase support for Markham’s foreign trade initiatives





# Annual Plans

## Build a Branded Markham

Markham 2020 Objective: Markham to be regarded as one of Top 10 Cities for business in North America

KPI: level of awareness of Markham as a leading business centre (survey based)  
level of brand credibility among targeted audiences (survey based)  
# of awards and recognition for successes

### Actions:

1. Review economic development branding, & assemble KPI data.	Timing: 2 <sup>nd</sup> & 3 <sup>rd</sup> Quarter 2009 Resource: Corp. Comm. and Markham EDD
2. Promote Markham Economic Strategy through CD and web-based media	Timing: Ongoing 2009 Resource: Markham EDD
3. Produce 3 issues of Markham Leader, economic development newsletter, 2 issues of Economic Profile, and ads (as may be required)	Timing: Ongoing 2009 Resource: Markham EDD
4. Assist with and sponsor MBT Business Excellence Awards	Timing: 2 <sup>nd</sup> & 3 <sup>rd</sup> Quarter 2009 Resource: Markham EDD
5. York Region Business and Employment Survey	Timing: 3 <sup>rd</sup> Quarter 2009 Resource: Region EDD funded by Markham EDD
6. Deliver branded advisory services to entrepreneurs and SMEs	Timing: Ongoing 2009 Resource: MSBEC, ISCM

## Build a Global Markham

Markham 2020 Objective: New foreign direct investment (FDI) to generate > 100 jobs/yr.

KPI: annual \$ in FDI received from targeted markets  
growth/expansion of existing MNE's (multi-national enterprises)

### Actions:

1. Assemble baseline data for KPI's.	Timing: 2 <sup>nd</sup> & 3 <sup>rd</sup> Quarters 2009 Resource: Markham EDD, MBT, RHMCA.
2. Medical Technology Mission to China with TMTA (Hong Kong, Shenzhen, Shanghai).	Timing: April 2009 Resource: TMTA to lead, Markham EDD staff and CAO to attend
3. Develop investor attraction relations with India through India Institutes of Technology alumni and Consul General (CG breakfast, Pan-IIT Chicago, Nascom in Nov)	Timing: April, October 2009 Resource: Markham EDD with support from MBT, IITAC, GTMA, OTC.
4. Receive in-bound missions from China, India, USA, etc.	Timing: Ongoing 2009 Resource: Markham EDD with support from MBT, IITAC, and RHMCA
5. Build/strengthen global relationships through targeted breakfasts, Leader articles, web-based marketing	Timing: Start 2 <sup>nd</sup> Quarter 2009 Resource: Markham EDD with support from MBT, GTMA
6. Promote export capabilities of SMEs, maintain relationships & promote Markham through Canadian Trade Commissioners (EDAC 2009)	Timing: Ongoing 2009 Resource: ISCM, GTREA, Markham EDD



## **Markham's Economic Alliance Program (EAP)**

- Established in 1990
- Upgraded in 2008 Council adopted “Markham 2020”
- A “Global Markham” where direct foreign investment equals or exceeds domestic investment in new jobs
- “Markham should nurture its existing formal and informal relationships (for mutual economic development), ....adding new partners as time, resources and economics permit”.
- “use the multicultural and multilingual character of Markham’s own population to leverage new international partners and targets for economic development activity”.



## **Investment Attraction Programs**

**Markham's International Strategy Focuses on strategic growth sectors:**

- Convergence of ICT and Life Sciences
- Financial Services
- Professional, Scientific and Technical Services
- More recently: Green Technologies, Education, Health Care

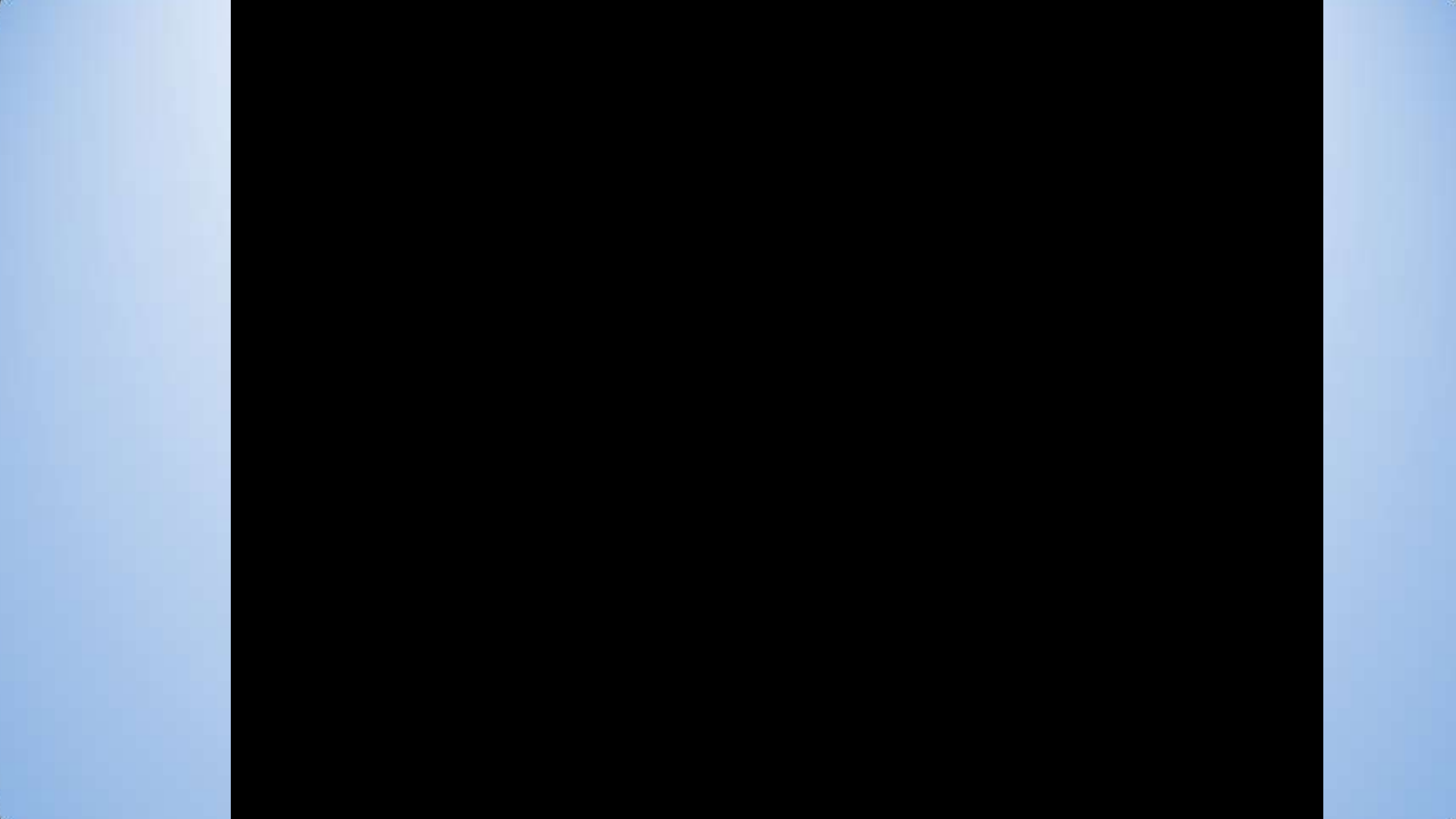




## **Investment Attraction Programs**

### **Markham's International Relationships include:**

- Sister Cities in China, Germany and the USA
- Economic Alliances with Cities and Organizations in India, China and Hong Kong
- Agreements with Science Parks in the USA, China and Taiwan





## Sector Performance

### MNEs (Multinational Enterprises) that came to Markham



**HONDA**



**lenovo** FOR  
THOSE  
WHO DO.



 中國銀行  
BANK OF CHINA



 **AVIVA**

 **CenturyLink**<sup>TM</sup>

**QUALCOMM**

**PARSONS**





# Sector Performance

## MNEs that expanded in Markham



**IBM**



**TOSHIBA**

**AECOM**



Giesecke & Devrient



# FDI in Markham is Global

## Top Source Countries

Country	# Firms	Employment Survey, 2014
U.S.A.	121	20,895
Japan	12	2,111
China	16	1,181
Germany	13	973
Australia	3	661
Korea	6	545
U.K.	11	510

Source: York Region Planning & Economic Development Branch, 2014



## MNEs Contribute to Job Creation and Markham's Economic Vitality

Total Number of Foreign Companies , 2014	Total Number of Jobs, 2014
210	28,936

*Source: York Region Planning & Economic Development Branch*

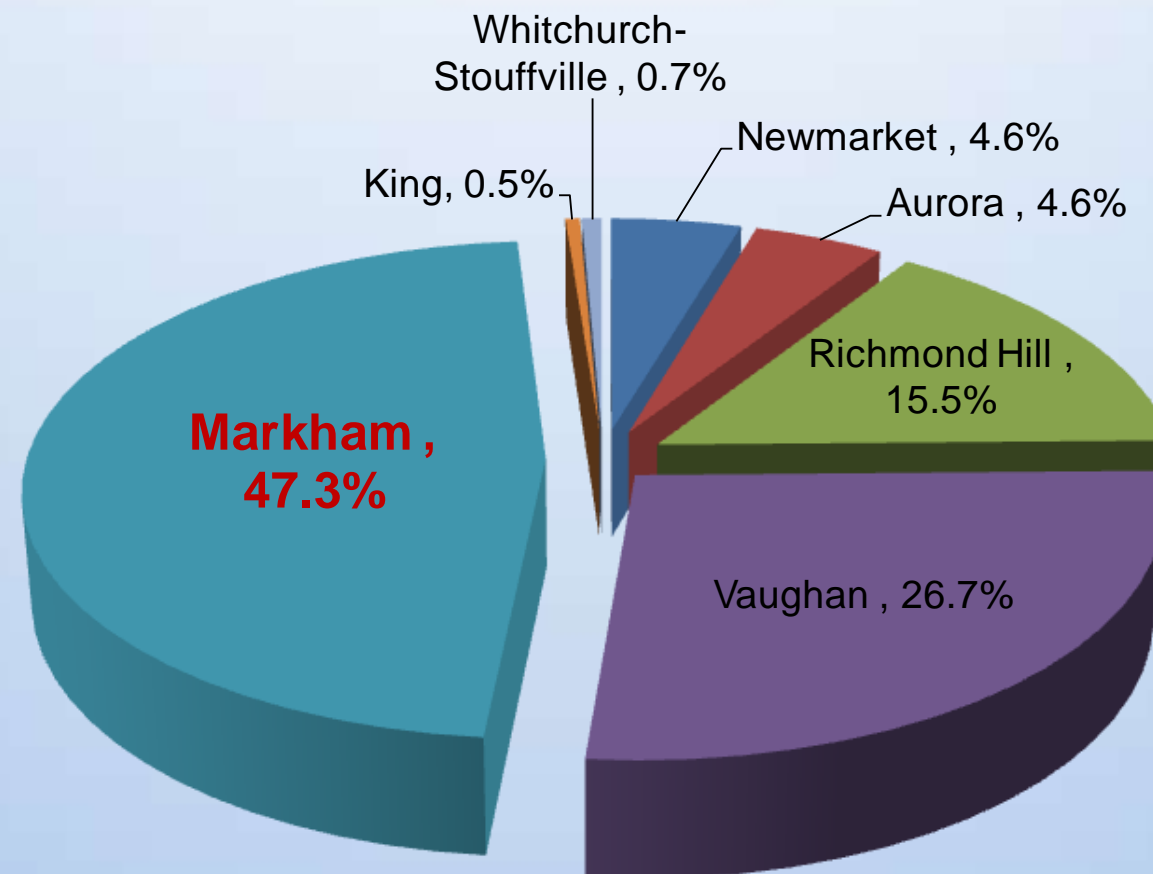
- Anecdotal evidence suggests that every FDI job creates 3 indirect jobs.
- Microsoft Europe estimates every high value foreign direct investment job leads to 30 indirect jobs created.





# Markham is the Leader in Attracting Foreign Investment

Foreign Companies in York Region by Municipality, 2014

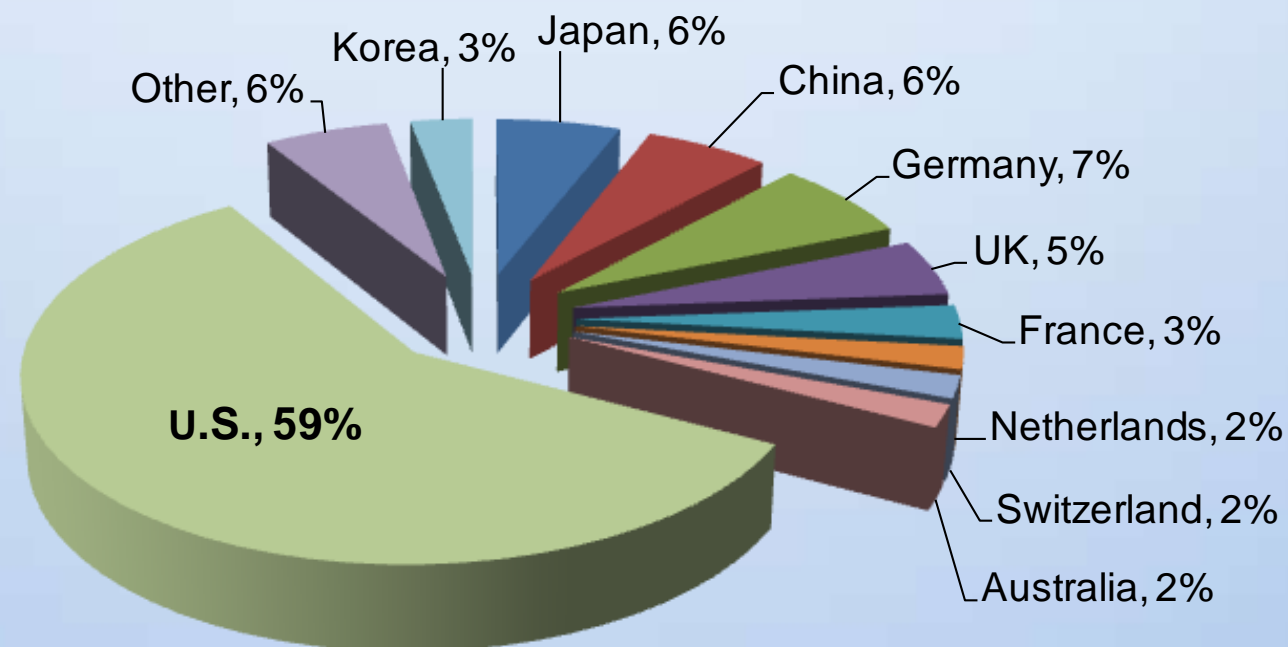


Source: York Region Planning & Economic Development Branch



# **Significant Increase in FDI from Asia Pacific – Markham has Achieved Reputation as a Gateway to North American Market**

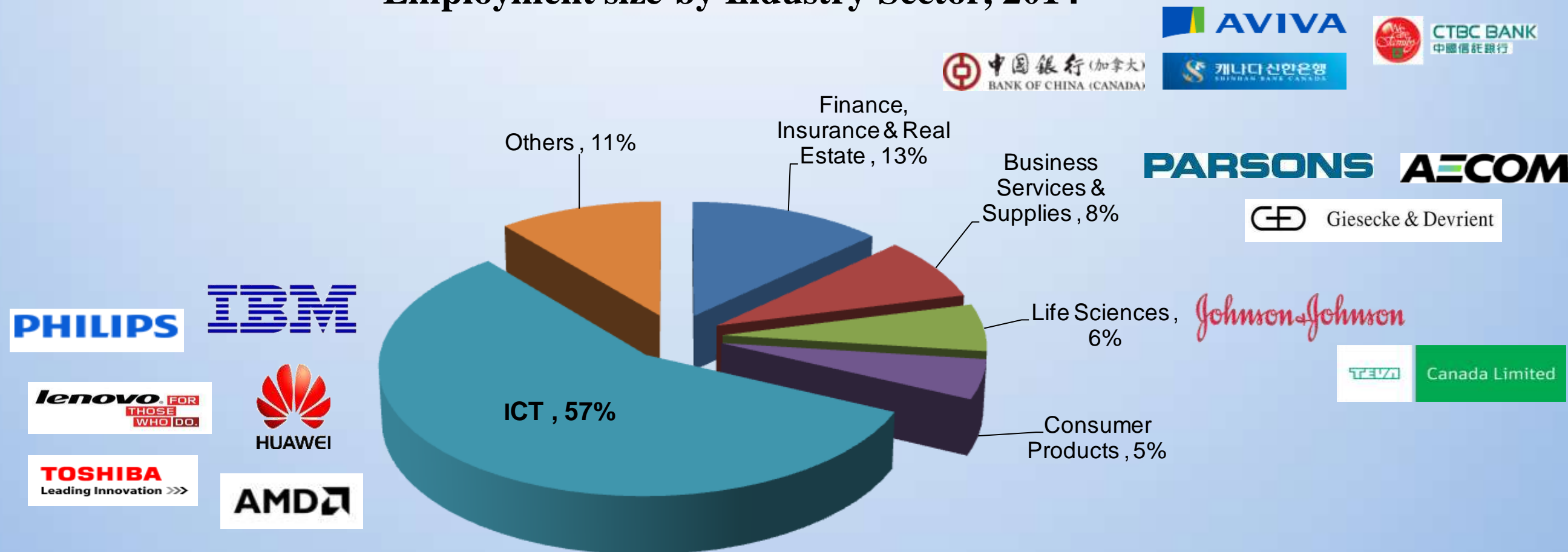
**Foreign Companies in Markham by HQ Country, 2014**





# MNEs are Active in Markham's Priority Sectors

Foreign Companies in Markham:  
Employment size by Industry Sector, 2014



Source: York Region Planning & Economic Development Branch





## **MNEs Contribute to Job creation and Markham's Economic Vitality – Some Examples:**

- IBM – Markham's largest employer for past 2 decades
- AMD - Markham's 7<sup>th</sup> largest employer: approximately 1,400
- Huawei Canada – 27% of Markham HQ employees are Markham residents



## **MNEs Contribute to Innovative Markham**



### **IBM in Markham:**

- World's largest IT and consulting services company
- Largest IBM R&D facility outside of USA
- \$465 million in R&D spending (2014)
- A partner of SOSCIP (The Southern Ontario Smart Computing Innovation Platform) – an innovative platform for research collaboration between industry and academia.



## **MNEs Contribute to Innovative Markham**



### **AMD in Markham:**

- Second largest AMD global site
- 14th-highest corporate R&D investor in Canada
- Majority of AMD employees in Canada are engaged in engineering R&D or technical functions
- A significant contributor of leading technology to the digital entertainment and gaming ecosystem





## **MNEs Contribute to Innovative Markham**



### **Huawei Canada in Markham:**

- A leading global information and communication technology (ICT) solutions provider
- Committed \$210m in new investments in Ontario to support the expansion of Huawei's Canadian R&D and business operations (2014)
- An industry leader in cloud computing; investments in new and transformative advanced communications research help to power Canada and Markham's ICT ecosystem



## MNEs Contribute to Quality of Life

*Lenovo celebrated the opening of its new Markham home with a donation in support of Habitat for Humanity.*



*At **IBM**'s Canadian head office in Markham, enthusiastic staffers get set to celebrate the company's 100th anniversary in 2011 by volunteering their time in the community, including at area schools.*  
*2014: \$4.2M+ in charitable giving; 100k+ hours of employee volunteerism*



# MNEs are Involved in the Community



*Markham **AMD** participants of the 2014 Becel Ride for Heart 2014: \$20K+ donated to charitable causes; 500+ hours of community service logged*



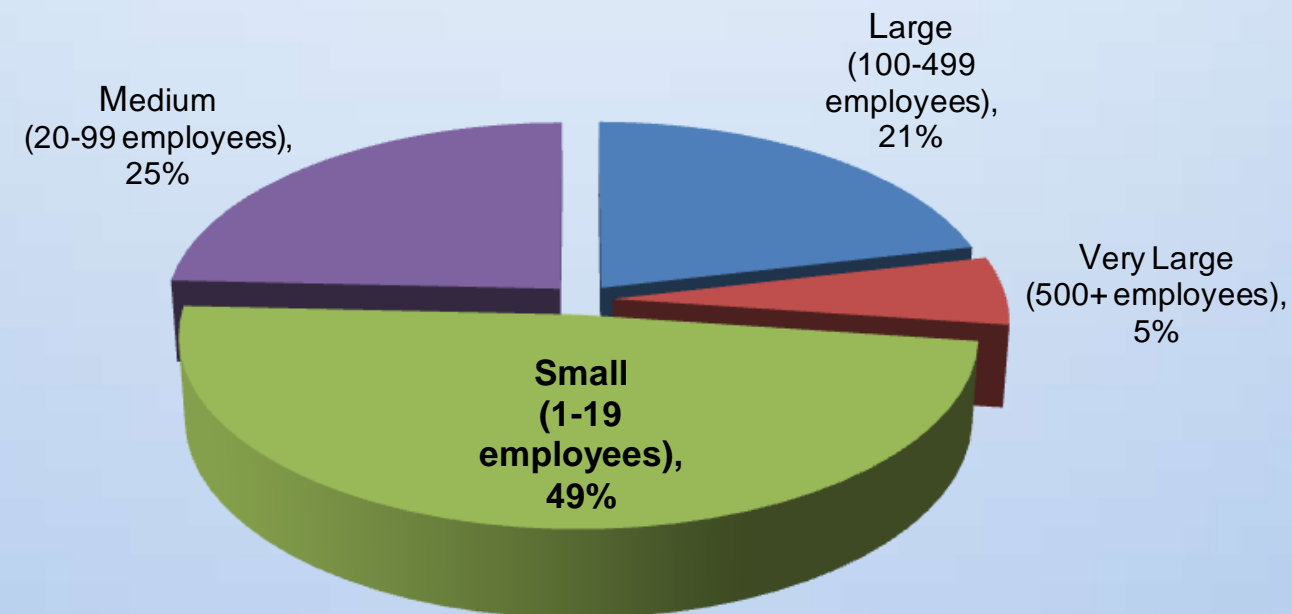
*Raffle tickets sold at the annual **Huawei** 2014 Holiday Gala, together with a Bake Sale in the office, raised \$8,300 in support of the Markham Stouffville Hospital Expansion Campaign.*





# **SMEs (Small- and Medium-Sized Enterprise) are Important – Majority of Markham's Foreign Owned Companies are SMEs**

**Foreign Companies in Markham by Employment Size, 2014**





## **Small- and Medium-Sized Technology Foreign Companies are Investing in Markham**

### **Some examples:**

- La Salle Solutions (U.S.): IT life-cycle management services, opened Canadian Office in January, 2013
- Grintex in Markham Convergence Centre: well established Indian ISO certified company providing high –end technology solutions and services in air traffic, defence and homeland security system etc.
- Cabot Solutions: Innovative mobile solution provider from India, 1-2 people to start, expanding in Canada to serve their North American clients



## **FDI Projects and New Investors Bring Benefit and Opportunity for Markham's Economy**

- Job creation (2015: 210 foreign companies, close to 30,000 jobs)
- Increased municipal tax revenue
- Increased innovation initiatives
- Enhanced technology transfer, esp. from MNEs to SMEs
- Economic growth through supply chain opportunities esp. for SMEs
- Attraction and retention of local and foreign talents
- Diversification of the local economy





# Markham Advantages in Attracting MNEs and FDI



Source: CBRE

# Challenges to Attracting MNEs and FDI



Source: CBRE



## **Economic Development Challenges**

- Rising cost of pursuing and maintaining foreign investment strategies
- Consider revisions to sister city and economic alliance protocols
- Need to reinvigorate USA program
- Leverage new GTA wide Economic Development Agency





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